

Parent Company's Guidance

Group's parent company steers the subsidiaries by setting targets for their capitalization and return on equity (RoE) and by defining the main preconditions for the subsidiaries' operations in the form of the group-wide principles.

Target Setting: The Board of Directors of Sampo plc decides on the subsidiaries' return on equity targets which are currently 17.5 per cent for both If P&C and Mandatum Life. In addition, If P&C has a long-term target of maintaining the combined ratio below 95 per cent.

The parent company assesses the adequate level of capitalization and the suitability of the capital structure as described at the section "[Capitalization at the Company level](#)". Based on this analysis, the parent company estimates the amount of dividends distributed by the subsidiaries to the parent company. In Sampo Group, the excess capital from an

operational point of view is held by the parent company which capitalizes the subsidiaries if needed.

The Board of Directors of the Sampo plc decides on the main guidelines governing the subsidiaries' business activities and risk management. The most significant of these guidelines are the Code of Conduct, Risk Management Principles, Remuneration Principles and Compliance Principles. There are also further guidelines which are followed in order to prevent reputational and compliance risks, for example the Disclosure Policy.

Moreover, the external regulatory environment and expectations of different stakeholders on Sampo Group's operations impact on the Sampo plc's Board of Directors' decisions in general and thereby also the guidance given by the parent company. Further information on Sampo Group's stakeholders is available at Code of Conduct at www.sampo.com/steeringsystem.